

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

April 30, 2002

IN RE:

**APPLICATION OF APPLIANCE & TV RENTALS d/b/a
FONES-4-U FOR APPROVAL OF TRANSFER OF
AUTHORITY TO PROVIDE UTILITY SERVICES**

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**DOCKET NO.
01-01114**

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before the Tennessee Regulatory Authority (the "Authority" or "TRA") at the regularly scheduled Authority Conference held on April 16, 2002 for consideration of the *Application* (the "*Application*") of Appliance & TV Rentals, Inc. d/b/a Fones-4-U ("Appliance & TV Rentals"), pursuant to the provisions of Tenn. Code Ann. § 65-4-113, for approval of a transfer of authority to provide utility services.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Application

In its *Application*, which is contained in a letter to the Authority dated December 7, 2001,¹ Appliance & TV Rentals requests Authority approval of a transfer to Ring Connection, Inc. ("Ring Connection") of the authority to provide utility services which has been granted to Appliance & TV Rentals. The *Application* states that this transfer is part of a plan to change the corporate entity which owns the competing local exchange carrier known as FONES-4-U from Appliance & TV Rentals to Ring Connection. According to the *Application*, Ring Connection and Appliance & TV Rentals have common ownership; both Ring Connection and Appliance & TV Rentals are Florida corporations with headquarters located in Crestview, Florida.

Appliance & TV Rentals received certification to provide operator services and/or resell telecommunications services in Tennessee by Order dated May 23, 2000 in Docket No. 00-00326. The *Application* states that Appliance & TV Rentals was the original corporate entity established in 1984 by President and Chief Executive Officer David N. Ring to serve as corporate parent to several business operations. In an effort to streamline the accounting, tax reporting, and general operations of his multiple business concerns, Mr. Ring is developing individual corporations for each of his enterprises. Ring Connection will take over the telephone service resale business performed by FONES-4-U.

¹ The December 7, 2001 letter is a notification to the Authority of the proposed transaction. Because, as explained herein, this transaction involves a transfer of the authority to provide utility services held by Appliance & TV Rentals, approval by the Authority is required, and the Authority treated Appliance & TV Rentals' letter of notification as its Application for such approval.

Public Interest Considerations

According to the *Application*, the technical, managerial and financial staff of Appliance & TV Rentals will not change, and the proposed transaction will be transparent to the customers of FONES-4-U. Further, the name FONES-4-U will not change, and the change of ownership will not affect the rates or customer service of FONES-4-U in any way.

Findings

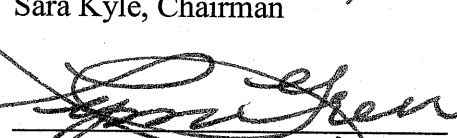
The Directors of the Authority considered this matter at the April 16, 2002 Authority Conference. Based upon careful consideration of the *Application* and of the entire record of this matter, the Authority finds and concludes as follows:

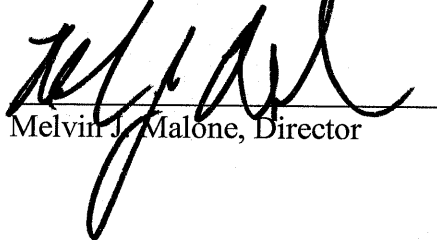
1. The Authority has jurisdiction over the subject matter of this *Application* pursuant to Tenn. Code Ann. § 65-4-113;
2. Appliance & TV Rentals, Inc. d/b/a Fones-4-U has been granted authority to provide telecommunications services in Tennessee;
3. Ownership of FONES-4-U has been transferred from Appliance & TV Rentals, Inc. to Ring Connection, Inc., resulting in a transfer of the authority granted Appliance & TV Rentals, Inc. d/b/a Fones-4-U to provide utility services; and
4. The transfer of authority will benefit the consuming public.

IT IS THEREFORE ORDERED THAT:


The *Application* of Appliance & TV Rentals, Inc. d/b/a Fones-4-U for approval of the transfer of authority described herein is approved.


Sara Kyle, Chairman


H. Lynn Greer, Jr., Director


Melvin J. Malone, Director

ATTEST:


K. David Waddell, Executive Secretary